

January 6, 2012

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Ms. Rosalinh Ung, Associate Planner
City of Newport Beach
3300 Newport Blvd.
Newport Beach, CA 92658-8915

RE: Notice of Preparation of an Environmental Impact Report for the Uptown Newport Project

Dear Ms. Ung,

The Kennedy Commission (the Commission) is a broad based coalition of residents and community organizations that advocates for the production of homes affordable for families earning less than \$20,000 annually in Orange County. Formed in 2001, the Commission has been successful in partnering and working with jurisdictions in Orange County to create strategic and effective housing and land-use policies that has led to new construction of homes affordable to lower income working families.

The Commission would like to thank the City for providing the community an opportunity to submit comments on the Notice of Preparation (NOP) for an Environmental Impact Report (EIR) on the Uptown Newport Project. As the City begins the to evaluate and address the potential environmental effects of the proposed project, the Commission would like to take this opportunity to address a few concerns regarding the proposed project and provide recommendations that should be taken into consideration while the City drafts the EIR.

Affordability for Extremely Low, Very Low and Low-Income Households

In June 2010, the City released an initial study on the Uptown Newport Village Specific Plan that planned for the development of 1,244 homes, of which 184 homes would be affordable.¹ The project has now switched applicants and the City is re-initiating the NOP. While the proposed project is in the preliminary planning phase and specific language on affordable homes (i.e. how many, what type and affordability levels etc.) have not yet been established, the Commission strongly urges the City to provide the analysis in the EIR and make the development of homes affordable to lower income working families a priority at the proposed project. According to the City's certified 2008-2014 Housing Element, the City's total Regional Housing Needs Assessment (RHNA), including the un-accommodated portion of the 2000-2005 RHNA, for lower income households are: 451 homes at very low-income, 319 homes at low-income and; 442 homes at moderate-income.²

¹ City of Newport Beach Uptown Newport Village Specific Plan Project, Initial Study, p. 2, June 2010.

² City of Newport Beach General Plan Housing Element, p. 5-45, November 2011.

Located in the John Wayne Airport Area, the proposed project will provide 1,244 for-sale and affordable townhomes and condominiums.³ While the project will accommodate more than half of Airport Area's maximum development capacity of 2,220 homes,⁴ the project provides an opportunity for the City to count the proposed homes towards its RHNA, especially for the lower income categories. According to the City's Housing Element, the Airport Area was identified as the "greatest potential" to accommodate the City's lower income RHNA need of 770 homes.⁵ In addition, the removal of the 10-acre minimum site requirement and allowing by-right development for multifamily housing affordable to lower-income households is essential in encouraging and facilitating the development of affordable homes in the Airport Area.⁶

Addressing and Mitigating Environmental Impacts

With high housing costs and significant lack of affordable homes, many workers and families, especially those who earn lower wages, struggle financially to live in the city they work in. Compared to other cities in Orange County, housing costs are significantly higher in Newport Beach and simply out of reach for extremely low-, very low- and low-income families. In 2007, the median home price in Newport Beach was \$1,485,000⁷ and rents ranged from \$1,099 for a one-bedroom up to \$3,040 for a three-bedroom apartment.⁸ These impacts not only hurt workers and families but may also have negative environmental impacts to the City.

The environmental impacts of a development are especially less drastic when a person can afford to live and spend their money in the same community in which they work in. With low wages and high housing costs, many workers live in other cities and become dependant on their automobile to commute to and from work and other destinations. These trips may increase traffic congestion and air pollutants that not only negatively impact the environment but also the quality of life for the community. Locating homes, specifically affordable homes, near transit, job centers and neighborhood services will decrease the environmental impacts of traffic congestion, vehicle miles travelled (VMT) and greenhouse gas emissions.

In 2009, the average commute time to work for Orange County residents was approximately 26 minutes and approximately 78% of commuters drove alone.⁹ Improving location accessibility and connectivity reduces the dependency for residents, especially for lower income households and workers, to drive their automobiles. This will lead to decreased environmental impacts, such as VMT and green house gas emissions. Addressing these environmental impacts in the draft EIR will also align with the Sustainable Communities and Climate Protection Act of 2008 (SB

³ Initial Study for: Uptown Newport (PA 2011-134), p. 2, December 2011.

⁴ City of Newport Beach General Plan Housing Element, p. 5-78, November 2011.

⁵ City of Newport Beach General Plan Housing Element, p. 5-54, November 2011.

⁶ Letter from the Department of Housing and Community Development to the City of Newport Beach, p.1, September 2011.

⁷ City of Newport Beach General Plan Housing Element, p. 5-30, November 2011.

⁸ City of Newport Beach General Plan Housing Element, p. 5-31, November 2011.

⁹ Orange County 2011 Community Indicators, Children & Families Commission of Orange County, p. 25, 2011.

375) and help the City implement and comply with the goals of SB 375. In particular, Orange County recently developed its own subregional Sustainable Communities Strategy which include a specific stand-alone strategy that support the retention and/or development of affordable homes.¹⁰

To ensure the impacts are identified and mitigated, the Commission would like the draft EIR to also address the City's jobs-housing "fit." Different from jobs-housing balance, which evaluates the number of jobs to the number of homes in a specific geographic location, the jobs-housing fit provides a more detailed analysis. The jobs-housing fit analyzes the discrepancies between the types of jobs and wages (especially for low-wage jobs) that will be created in a City and the housing costs and opportunities that are available in the City. Simply stated, will an individual working at a new job that has been generated from a development be able to afford to live in the City that he/she is working in?

Recommendation

The Commission recommends the draft EIR analysis to:

- 1) Conduct a detailed analysis on affordable homes (i.e. amount, housing type and affordability) in the Newport Uptown Project and the impacts it has on VMT, greenhouse gas emissions and other traffic impacts (i.e. will affordable homes allow commuters to live and work in the project decrease their reliance to drive their vehicles?).¹¹
- 2) Provide a detailed analysis of how many jobs and what types of jobs and wages will be generated from the proposed project.
- 3) Provide a detailed analysis of how many people live outside the City that commute into the City to work and how many residents live in the City but commute out of the City to work.¹²
- 4) Provide a detailed jobs-housing "fit" analysis.
- 5) Identify trip reducing measures (i.e. location of affordable homes near transit, job centers and neighborhood services that would reduce VMT, greenhouse gas emissions and other traffic impacts).
- 6) Continue with meaningful outreach and incorporate public comments in the Newport Uptown Project planning process.

¹⁰ Orange County Sustainable Communities Strategy Prepared for OCTA/OCCOG, p.82, June 2011.

¹¹ Comments of the Attorney General on Recirculated DEIR Santa Clarita Valley Area Plan, One Valley One Vision, State of California Department of Justice, p. 5, March 17, 2011.

¹² Comments of the Attorney General on Recirculated DEIR Santa Clarita Valley Area Plan, One Valley One Vision, State of California Department of Justice, p. 5, March 17, 2011.

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Conclusion

The Commission looks forward to hearing the City's response to our concerns and partnering with the City to achieve our mutually beneficially goals in creating more livable and economically competitive communities to all working families in the City. The Commission also welcomes the opportunity to continue our dialogue that will result in the production of new homes affordable to extremely low, very low and low-income working families.

Please keep us informed of any upcoming meetings and additional information on the Uptown Newport Project. If you have any questions, feel free to contact me at (949) 250-0909 or cesarc@kennedycommission.org.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Cesar', with a large, sweeping flourish extending from the end of the name.

Cesar Covarrubias
Executive Director

cc: Melinda Coy, State Department of Housing and Community Development